

Rio Tinto

Kennecott Utah Copper
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South Jordan, Utah 84095
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Paula H. Doughty
Manager - Tailings & Water Services

28 July 2011

VIA HAND DELIVERY

Ms. Kim Shelley
Utah Department of Environmental Quality
Division of Water Quality
P.O. Box 144870
195 North 1950 West
Salt Lake City, UT 84114-4870

Subject: UPDES Permit UT000051, Notification of tailings slurry release to surface

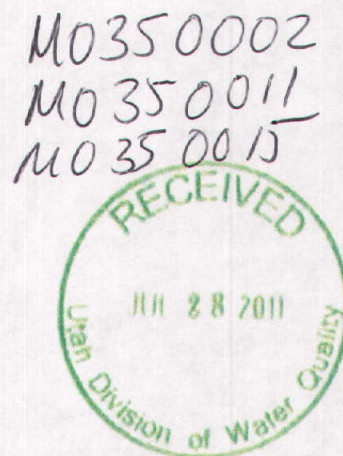
Dear Ms. Shelley:

Pursuant to Part II.1.3 of the referenced permit, this letter provides information regarding the release of tailings slurry along the tailings pipeline that occurred on July 25, 2011. On the evening of July 25, Scott Wheeler, Advisor - Environmental, left a phone message with you advising of the release. This release did not require notification to the National Response Center.

The release occurred at a point designated Drop Box A.25, which is located approximately miles 1800 feet north of Barney's Canyon creek. The release began at approximately 12:20 pm and lasted approximately 80 minutes. The circumstances leading to the release are under review by Kennecott. It appears that the release occurred while the Concentrator lost overflow pumping capability while draining the #3 tailings thickener. The flow overwhelmed the tailings 60-inch pipeline and tailings were discharged from the drop box and a number of inspection covers and vent risers. KUC calculates that approximately 337,680 gallons of slurry was released. Calculations for the entire release were based on the current operating flow in the tailings pipeline, plus the additional water from various sources, and the loss of operation of the Concentrators seven overflow pumps.

The tailings release impacted several areas, as shown on the attached figure, including:

- South of Drop Box A.25 approximately 600 feet; water was confined between the tailings 60-inch and 48-inch pipelines. The water was tested for pH in the field which turned out to be approximately 5.5 to 6.0.
- North of Drop Box approximately 0.7 miles, the material was confined to the road located on the left side of the 60-inch pipeline (looking north). The average depth the material (solid) was approximately 1 to 4 inches.
- East of the tailings line the slurry flowed the tailings line road and onto natural vegetation where the majority of the coarser material settled out before finding an ephemeral wash where it was confined, and finally stopped approximately 0.5 miles from the source of the release.



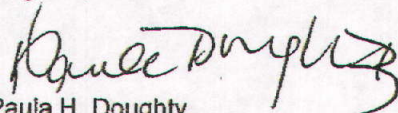
The tailings released remained entirely on Kennecott property. The ephemeral wash that was impacted would be a tributary to Barneys Canyon creek. However, this wash is interrupted downgradient by a gravel operation, dryland farming, and residential development.

Much of the water portion of the slurry infiltrated or evaporated soon after the release. Kennecott installed a portable pump into a pool of water just south of drop box A.25 approximately seven hours after the release began and recovered approximately 27,000 gallons of water. KUC has attempted to mobilize equipment to remove remnant tailings from the roadway and the area between the tailings pipelines, but tailings are too liquid to remove as of the date of this report. KUC will remove tailings from these areas as soon as they are workable. KUC does not intend to remove tailings from the natural areas or the ephemeral wash because removal will create a much greater impact than leaving the benign tailings in place.

Kennecott collected and analyzed a sample of water from the released slurry. Analytical results are attached. Our calculations indicate that no Reportable Quantities (CERCLA 103) for any of the relevant analytes would have been exceeded.

If you have any questions regarding this event, please feel free to contact me or Scott Wheeler at (801) 569-7817.

Regards,



Paula H. Doughty
Manager - Tailings & Water Services

Enclosure

cc: Douglas Bacon, DEQ-DERR, via email
Leslie Helper, DNR-DOGM, via email

bcc: S. Wheeler
K. Payne
C. Lilley
R. Bodell

Ms. Kim Shelley
28 July 2011
Page 3



Tailings A.25 BOX Spill

7-26-2011



Kennecott Environmental Laboratory
CERTIFICATE OF ANALYSIS

Sample Type: Water

Date: 28-Jul-11

3325 South 9200 West
Magna, UT 84044-8001
Phone (801) 589-7952
Fax (801) 589-7901

To: SCOTT WHEELER

Submission Date: 7/26/2011

Lab No.	Sample Description	Collection Date	Analysis Date	Analyte	Result	Reporting Limits	Units
AT10807	TAILINGS LINE A-25	7/25/2011	7/27/2011	pH	8.83		
			7/27/2011	Lab Conductivity	8340	1	micro mho/cm
			7/26/2011	Arsenic	66	20	ug/L
			7/26/2011	Barium	349	10	ug/L
			7/26/2011	Cadmium	Below CRDL	10	ug/L
			7/26/2011	Chromium	Below CRDL	10	ug/L
			7/26/2011	Lead	Below CRDL	50	ug/L
			7/27/2011	Mercury	Below CRDL	0.2	ug/L
			7/26/2011	Selenium	64	50	ug/L
			7/26/2011	Silver	Below CRDL	10	ug/L

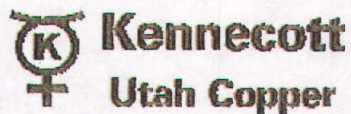
Approved by

Approved by: Melissa R. Olsen
KEL Laboratory Director



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